GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

STARRED QUESTION NO:386
ANSWERED ON:19.04.2002
NEW VRS FOR PUBLIC SECTOR ENTERPRISES EMPLOYEES
KINJARAPU YERRANNAIDU;SHIVAJI VITHALRAO KAMBLE

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government are coming up with another round of voluntary retirement scheme for the staff of public sector enterprises;

(b) if so, the salient features of the new scheme;

(c) the number of surplus staff identified in various public sector enterprises as on date;

(d) the total number of employees of PSEs who have opted for VRS during the current year; and

(e) the financial implications on implementation of the revised scheme?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI MANOHAR JOSHI)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO. 386 FOR REPLY ON 19.4.2002 REGARDING NEW FOR PUBLIC SECTOR ENTERPRISES EMPLOYEES

(a) to (e): The Voluntary Retirement Scheme (VRS) was recently modified as per OM No. 2(32)/97-DPE(WC)/GL-LVI dated 6t November, 2001. The salient features of the modified scheme are:

(i) Ex-gratia payment in respect of employees on pay scales of 1.1.1987 and 1.1.1992 levels, computed on their existing pay scales in accordance with the extant scheme, shall be increased by 100% and 50% respectively.

(ii) The option of the Gujarat or DHI pattern shall be available to the employees of marginally profit/loss making, as well as sick and unviable units.

No further modifications are contemplated for the present.

Rightsizing of manpower is an ongoing process. The staff requirements depend on the economic environment, market share, technology, shop floor practices etc. and the quantum of surplus staff, in any PSE, is likely to vary from time to time. The VRS is designed to give a reasonable support to voluntarily retiring employees. It is the decision of CPSEs to offer VRS and the timing thereof or the extent of rightsizing. It is not advised centrally by the Government. During 2000-2001, for which period information is available, 45625 employees of Central PSUs have opted for VRS and an amount of Rs. 2001 crore has been spent to meet the VRS expenditure.